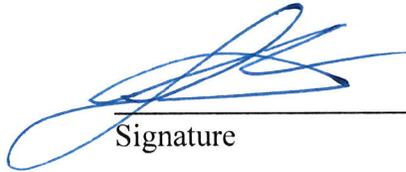


BofAML Securities, Inc.

**Financial Statements and Supplemental Schedule
December 31, 2017**

OATH OR AFFIRMATION

I, Lizbeth Applebaum, affirm that, to the best of my knowledge and belief, the accompanying financial statements and supporting schedules pertaining to the firm of BofAML Securities, Inc. (the "Company"), as of December 31, 2017, are true and correct. I further affirm that neither the Company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer.



Signature

2/27/18

Date

STATE OF New York)
COUNTY OF New York) S.S.:

Managing Director and Chief Financial Officer
Title

Subscribed and sworn
before me on this 27th day
of
FEBRUARY, 2018



MARK F BOROWSKI
Notary Public - State of New York
No. 01BO4905960
Qualified in Queens County
My Commission Expires Sept. 21, 2021

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Report of Independent Registered Public Accounting Firm

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholder of BofAML Securities, Inc.:

Opinion on the Financial Statements

We have audited the accompanying balance sheet of BofAML Securities, Inc. (the "Company") as of December 31, 2017, and the related statements of operations and comprehensive income (loss), of changes in stockholder's equity, of cash flows and changes in liabilities subordinated to claims of general creditors for the year then ended, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of these financial statements in accordance with the standards of the PCAOB and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Supplemental Information

The accompanying Schedule I - Net Capital Computation in accordance with CFTC Regulation 1.17, is supplemental information. The supplemental information is the responsibility of the Company's management. The supplemental information has been subjected to audit procedures performed in conjunction with the audit of the Company's financial statements. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with Regulation 1.10 under the Commodity Exchange Act. In our opinion, Schedule I - Net Capital Computation in accordance with CFTC Regulation 1.17, is fairly stated, in all material respects, in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "PRICEWATERHOUSECOOPERS LLP". The signature is written in a cursive, stylized font.

February 28, 2018

We have served as the Company's auditor since 2017.

BofAML Securities, Inc.
Balance Sheet
December 31, 2017

(dollars in millions, except share and per share amounts)

ASSETS

Deposit with Merrill Lynch, Pierce, Fenner & Smith Incorporated \$ 25

Total Assets \$ 25

LIABILITIES

Liabilities \$ -

Total Liabilities -

STOCKHOLDER'S EQUITY

Common stock, par value \$1 per share; 1,000 shares authorized, issued and outstanding -

Paid-in capital 25

Total Stockholder's Equity 25

Total Liabilities and Stockholder's Equity \$ 25

The accompanying notes are an integral part of these financial statements.

BofAML Securities, Inc.
Statement of Operations and Comprehensive Income (Loss)
For the year ended December 31, 2017

(dollars in millions)

Revenues	
Interest and dividend revenues	\$ -
Less interest expense	-
Net interest income	-
Non-interest income	-
Revenues, net of interest expense	-
Non-interest expenses	
Non-interest expenses	-
Pre-tax income	-
Income tax expense	-
Net income	\$ -
Other comprehensive income (loss), net of tax	-
Comprehensive income (loss)	\$ -

The accompanying notes are an integral part of these financial statements.

BofAML Securities, Inc.
Statement of Changes in Stockholder's Equity
Year Ended December 31, 2017

(dollars in millions)

	Common Stock	Paid-In Capital	Accumulated Other Comprehensive Income/(Loss)	Retained Earnings	Total Stockholder's Equity
Balance, beginning of period	\$ -	\$ -	\$ -	\$ -	\$ -
Capital contribution	-	25	-	-	25
Balance, end of period	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25</u>

The accompanying notes are an integral part of these financial statements.

BofAML Securities, Inc.
Statement of Cash Flows
Year Ended December 31, 2017

(dollars in millions)

Cash flows from operating activities	\$	-
Cash flows from investing activities		-
Cash flows from financing activities		-
		<hr/>
Change in cash and cash equivalents:		-
Cash and cash equivalents, beginning of period		<hr/>
Cash and cash equivalents, end of period	\$	<hr/> <hr/>

Supplemental disclosure of non-cash financing activities:

During the year ended December 31, 2017, BofAML Securities, Inc. received an equity contribution of \$25 in the form a deposit with its parent, Merrill Lynch, Pierce, Fenner & Smith Incorporated (see Note 2).

The accompanying notes are an integral part of these financial statements.

BofAML Securities, Inc.
Statement of Changes in Liabilities Subordinated to
Claims of General Creditors
Year Ended December 31, 2017

(dollars in millions)

Balance, beginning of period	\$ -
Changes during the period	<u>-</u>
Balance, end of period	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

BofAML Securities, Inc.

Notes to Financial Statements

December 31, 2017

1. Organization and Description of Business

BofAML Securities, Inc (the “Company”) was established on September 1, 2015 with an initial capitalization of 1,000 shares of \$1.00 par value common stock. The Company is wholly-owned subsidiary of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”), which is a registered broker-dealer and investment adviser with the U.S. Securities and Exchange Commission (“SEC”) and a member firm of the Financial Industry Regulatory Authority (“FINRA”), the New York Stock Exchange (“NYSE”), and other exchanges. MLPF&S is also registered as a futures commission merchant and swap firm with the U.S. Commodity Futures Trading Commission (“CFTC”) and the National Futures Association (“NFA”) and is a member firm of certain futures exchanges, including but not limited to, the Chicago Mercantile Exchange and the Chicago Board of Trade. MLPF&S is a wholly-owned indirect subsidiary of NB Holdings Corporation (“NB Holdings”), which is a wholly-owned subsidiary of Bank of America Corporation (“Bank of America”).

In July 2015, Bank of America announced a decision to separate the retail and institutional broker-dealer activities currently operating through MLPF&S into two distinct legal entities. Retail customers will continue to be serviced through MLPF&S, while institutional clients currently transacting through MLPF&S will move to the Company. The migration of institutional broker-dealer activities to the Company is subject to regulatory approvals and is intended to conclude in the second quarter of 2018. When the migration of the institutional broker-dealer activities occurs, the ownership of Merrill Lynch Professional Clearing Corp, Inc. (“MLPCC”), which is currently a wholly-owned, guaranteed broker-dealer subsidiary of MLPF&S, will transfer to the Company.

Following regulatory approvals and the migration of the institutional broker-dealer activities, the Company will act as a broker (i.e., agent) for corporate, institutional, government, and other clients and as a dealer (i.e., principal) in the purchase and sale of corporate debt and equity securities, United States (“U.S.”) Government securities, and U.S. Government agency obligations. The Company will also act as a broker and/or a dealer in the purchase and sale of money market instruments, high yield bonds, municipal securities, financial futures contracts and options, cleared swaps and other financial instruments, including collateralized debt obligations (“CDOs”) and collateralized mortgage obligations (“CMOs”). The Company will hold memberships and/or will have third-party clearing relationships with all major commodity and financial futures exchanges and clearing associations in the U.S. and will also carry positions reflecting trades executed on exchanges outside of the U.S. through affiliates and/or third-party clearing brokers. As an investment banking entity, the Company will provide corporate, institutional, and government clients with a wide variety of financial services, including underwriting the sale of securities to the public, structured and derivative financing, private placements, mortgage and lease financing and financial advisory services, including advice on mergers and acquisitions. The Company will be registered as a broker-dealer with the SEC and will be a member firm of FINRA, the NYSE, and other securities exchanges. The Company will also be registered as a futures commission merchant and swap firm with the CFTC and the NFA and will be a member firm of various futures exchanges. Certain products and services may be provided through affiliates.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Financial Statements are presented in accordance with U.S. Generally Accepted Accounting Principles (“U.S. GAAP”). The Financial Statements are presented in U.S. dollars, which is the Company’s functional and reporting currency. The Financial Statements are presented in millions except for share and per share amounts.

BofAML Securities, Inc.

Notes to Financial Statements

December 31, 2017

Use of Estimates

In presenting the Financial Statements management makes estimates. Estimates, by their nature, are based on judgment and available information. Therefore, actual results could differ from those estimates and could have a material impact on the Financial Statements, and it is possible that such changes could occur in the near term.

Statement of Operations and Comprehensive Income (Loss)

The Company has had no operations from the date of inception through December 31, 2017 and therefore has recorded no results of operations.

Cash and Cash Equivalents

The Company defines cash equivalents as short-term, highly liquid securities, and interest-earning deposits with maturities, when purchased, of 90 days or less, that are not used for trading purposes.

Deposit with Merrill Lynch, Pierce, Fenner & Smith Incorporated

During the year ended December 31, 2017, the Company received an equity contribution of \$25 million in the form a deposit with its parent, MLPF&S. The deposit with MLPF&S represents cash held in a brokerage account at MLPF&S in the name of the Company. The cash held in the brokerage account is non-interest bearing and is protected by the customer protection requirements of Rule 15c3-3 under the Securities Exchange Act of 1934.

Fair Value Measurement

Accounting Standards Codification (“ASC”) 820, Fair Value Measurements and Disclosures (“Fair Value Accounting”), establishes a fair value hierarchy based on the quality of inputs used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). For purposes of the fair value hierarchy classification, the Company’s deposit with Merrill Lynch, Pierce Fenner & Smith Incorporated is classified as Level 2.

Paid-In Capital

In February 2017, the Company received a capital contribution in the amount of \$25 million from MLPF&S. The \$25 million has been contributed for the purpose of operating the Company’s business and will continue to be used for such purpose.

New Accounting Pronouncements

Effective January 1, 2018, the Company adopted the new accounting standard for recognizing revenue from contracts with customers. The new standard does not impact the timing or measurement of the Company’s revenue recognition as it is consistent with the Company’s existing accounting for contracts within the scope of the new standard. The new accounting standard does not have a material impact on the Company’s financial position or results of operations and will not have a material impact on the disclosures in the notes to the financial statements.

The Financial Accounting Standards Board (“FASB”) issued a new accounting standard effective on January 1, 2019 that requires substantially all leases to be recorded as assets and liabilities on the Balance Sheet. On January 5, 2018, the FASB issued an exposure draft proposing an amendment to the standard that, if approved, would permit companies an option to apply the provisions of the new lease standard either prospectively as of the effective date, without adjusting comparative periods presented, or using a modified retrospective transition applicable to all prior periods presented. The Company is in the process of evaluating the impact of the standard on the financial statements.

Effective January 1, 2018, the Company adopted new accounting guidance that addresses classification of certain cash receipts and cash payments, including changes in restricted cash, in the Statement of Cash Flows.

BofAML Securities, Inc.
Notes to Financial Statements
December 31, 2017

This new accounting guidance will result in some changes in classification in the Statement of Cash Flows, and will not have any impact on the Company's financial position or results of operations.

Effective January 1, 2018, the Company adopted new accounting guidance on recognition and measurement of financial instruments, which requires separate presentation of financial assets and liabilities by measurement category and form. The new accounting standard did not have a material impact on the Company's financial statements.

The FASB issued a new accounting standard effective on January 1, 2020, with early adoption permitted on January 1, 2019, that will require the earlier recognition of credit losses on loans and other financial instruments based on an expected loss model, replacing the incurred loss model that is currently in use. The standard also requires expanded credit quality disclosures, including credit quality indicators disaggregated by vintage. The Company is in the process of evaluating the impact of the provisions of this new accounting guidance.

3. Stockholder's Equity

The Company is authorized to issue 1,000 shares of \$1.00 par value common stock. At December 31, 2017, there were 1,000 shares of common stock issued and outstanding.

4. Related Party Transactions

All expenses related to the Company from its establishment through December 31, 2017 have been borne by MLPF&S, or in the case that the expenses were borne by other legal entities, were allocated to MLPF&S. While certain of these expenses may have been directly related to the Company (e.g. legal and certain other professional fees), such costs were necessary for MLPF&S to incur in order to complete the migration of the institutional broker-dealer activities to the Company. MLPF&S will not seek reimbursement from the Company for any of these incurred expenses. Until this arrangement is superseded, MLPF&S will continue to absorb all expenses related to the Company.

At December 31, 2017, the Company had a \$25 million deposit with its parent, MLPF&S (see Note 2).

5. Subsequent Events

ASC 855, *Subsequent Events*, requires the Company to evaluate whether events, occurring after the Balance Sheet date but before the date the Financial Statements are available to be issued, require accounting as of the Balance Sheet date, or disclosure in the Financial Statements. The Company has evaluated such subsequent events through date of issuance.

In January 2018, the Company's FINRA membership was approved. Approval of the Company's broker-dealer registration from the SEC was also received in January 2018.

On February 16, 2018, the Company received FINRA approval for a \$10 billion subordinated revolving line of credit with NB Holdings. Borrowings under the line of credit have been approved for regulatory capital purposes. As of February 28, 2018, no borrowings were outstanding under this line of credit.

On February 23, 2018, the Company's Board of Directors approved an agreement to guarantee all of the obligations and liabilities of MLPCC; such agreement will become effective when the migration of MLPF&S' institutional broker-dealer activities to the Company is completed (see Note 1).

There were no other material subsequent events which affected the amounts or disclosures in the Financial Statements through February 28, 2018, which is the issuance date of the Financial Statements.

BofAML Securities, Inc.
Notes to Financial Statements
December 31, 2017

6. Regulatory Requirements

As a proposed Futures Commission Merchant, the Company will be subject to the net capital requirements of CFTC Regulation 1.17. At December 31, 2017, the Company's proposed Net Capital exceeded the minimum requirement of \$1 million by \$24 million.

BofAML Securities, Inc.**Net Capital Computation in accordance with CFTC Regulation 1.17****December 31, 2017****Schedule I***(dollars in millions)*

<u>Net Capital</u>		
Current Assets		\$ 25
Adjusted Liabilities		<u>-</u>
Net Capital		<u>25</u>
Less Charges Against Net Capital		<u>-</u>
Adjusted Net Capital		<u>25</u>
Net Capital required		
Risk Based Requirement	\$ -	
Minimum Dollar Amount Requirement	1	
Other NFA Requirement	<u>-</u>	
Greatest requirement		<u>1</u>
Excess net capital (over minimum requirement)		<u>\$ 24</u>
Early Warning Requirement		<u>2</u>
Excess over the early Warning		<u>\$ 23</u>